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USDOC FOR 532/OEA/LHINES/DFARROW
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR
WILLIAM ZARIT
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION:
DORADO CO. (HK)

REF: A) USDOC 02348

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO), accompanied by Commercial Vice Consul Tyler Warren, conducted a post shipment verification (PSV) at Dorado Co. (HK) (Dorado), 51 Jordan Road, Room 402, Kowloon, Hong Kong. The items in question are dielectric resonator oscillators exported to Dorado on or about January 20, 2007 and valued at USD 22,950. On the applicable shippers export declaration (SED), these items are classified as EAR99. Items properly classified as EAR99 may be exported/reexported to virtually all destinations and end-users worldwide, license free. The exporter was Herley-CTI of Whippany, New Jersey (Herley).

¶3. Dorado is not included in the Hong Kong Companies Registry as it is not an incorporated entity. According to the Hong Kong Inland Revenue Department Business Registration Office, Dorado is registered at the address noted above. It is a sole proprietorship and has been in existence since 1984. The owner is Mr. Kelvin Kwok. According to information obtained from the Hong Kong Trade Development Council (TDC) web site, Dorado is a representative of high-tech electronic companies in the United States and United Kingdom and sells electronic equipment to customers in Hong Kong and mainland China. It has two employees.

¶4. The ECO and Vice Consul Warren visited Dorado at the address referenced above on March 22, 2007 and met with Kelvin Kwok, Managing Director. The office is modest in size, typical for a small trading company in Hong Kong. Mr. Kwok provided background on Dorado. Consistent with the information noted above, Mr. Kwok stated that Dorado is his company and is a reseller of high-tech equipment into Hong Kong and mainland China. He has been in this type of business for quite some time.

¶5. Mr. Kwok was quite familiar with U.S. export controls noting that he routinely provides end-use information to Herley. He claimed that all of his customers are commercial companies in Hong Kong and mainland China. He expressed his opinion that U.S. export controls are overly stringent and out of date.

¶6. With respect to the shipment that was the subject of the PSV, Mr. Kwok provided the applicable documentation reflecting that the items had been received by Dorado and subsequently resold to Tung Pang Group Limited in Hong Kong. A review of the applicable shipping documentation from Herley and supplied by Mr. Kwok indicated that the end-user of the items is the Nanjing Radio Factory. Mr. Kwok noted that while the customer is Nanjing Radio Factory, he trades with Tung Pang Group, an agent for Nanjing Radio Factory. According to the Hong Kong Companies Registry, Tung Pang Group has nominal (equivalent of USD 1,200) share capital. Its director is mainland Chinese national Defa Ziu. According to the Companies Registry, Defa Qiu is also director of Suntek International (HK) Limited (established in 2005). During the visit, another shipment of the same type of items arrived at the office. Mr. Kwok showed the ECO and Vice Consul Warren the items and the underlying shipping documentation. It listed Nanjing Radio Factory and Nanjing Research Institute as end-users.

¶7. At the time visited, Dorado appeared to be a suitable recipient of the commodities shipped (as reseller) since Dorado cooperated with the PSV and provided all requested information concerning the

final disposition of the applicable items. Dorado is likewise familiar with and stressed its intent to comply with U.S. export control rules. At the same time, the ECO was not able to inspect the subject items as they had already been delivered to Dorado's customer. Consistent with guidance on reporting of PSVs where the items cannot be physically inspected, the ECO recommends that this PSV be classified as Limited.
Cunningham